

ORIGINAL



ARIZONA
AMERICAN WATER



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AZ CORP COMMISSION
DOCKET CONTROL

May 7, 2009

Kristen K. Mayes, Chair
Gary Pierce, Commissioner
Paul Newman, Commissioner
Sandra D. Kennedy, Commissioner
Bob Stump, Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

MAY - 7 2009

DOCKETED BY	
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Re: Procedural Order Requiring Public Notice of Public Comment Meetings in Bullhead City and Lake Havasu City (Docket Nos. W-01303A-08-0227 and SW-01303A-08-0227)

Dear Commissioners:

On behalf of Arizona-American Water, I would like to express my sincere regrets and apology for its role in the disappointingly low attendance at the Commission's recent Public Comment meetings in Bullhead City and Lake Havasu City. I realize each Commissioner spent a considerable amount of time and expense attending and traveling to and from these meetings. We have received a lot of valuable feedback to address this situation in the future.

Without making any excuses, our challenge was to meet the requirements of the March 27, 2009, Procedural Order which required two published notices on different dates before April 10, 2009. With only ten business days in the interim, the Company had very little time to complete the required notice. In situations requiring a rapid publication, in the past the Company has relied on The Arizona Republic, a large statewide general circulation newspaper. The requirement to publish twice within ten days meant that local weekly and monthly publications were ruled out for compliance purposes. Also, some of the smaller publications do not employ a notary and consequently can not publish legal advertising with the Commission required proof of publication, and some of the smaller publications do not distribute to our entire customer base in a service area. Exacerbating the current situation – and we were totally unaware of and The

Arizona Republic failed to inform us – was that The Arizona Republic ceased circulation in Bullhead City and Lake Havasu City approximately four months prior.

We did additionally publish the notice in the Desert Hills Association Newsletter and we spoke with a reporter from the Bullhead City Bee prior to the meetings regarding the rate case and the upcoming meetings. We were very surprised, therefore, when concerns regarding anticipated attendance at the Public Comment meetings arose two days beforehand. At that point, we worked intensively with Commission Staff to get the word out as best as possible.

We went to great lengths to inform and educate our customers about the pending rate case including hosting our own public meetings, mailing letters to our customers about the rate case, meeting with small groups of stakeholders, and, of course, earlier providing each customer with the required notice of the rate case and hearing. In addition, we truly wanted a strong turnout for the Commission's Public Comment meetings.

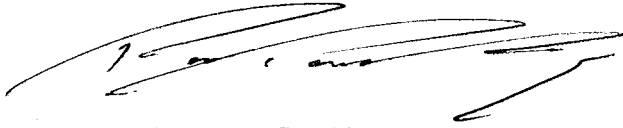
As a remedial measure in this case, the Company will – at shareholder expense - shortly send a letter of apology to our Havasu water and Mohave water and wastewater customers which will include a prepaid reply postcard for each customer to have another opportunity to provide comments directly to the Commission concerning the pending rate case. These postcards will be preaddressed directly to the Commission's PIO.

In the future, we commit to:

- 1) Voluntarily publishing additional notices in an appropriate local publication(s) even if such action is not necessary meet the Commission's requirements, but may be more effective in reaching more customers than the required notice.
- 2) Contacting the Commission's PIO and working closely with this person to ensure that our separate mutual efforts to advertise are, in total, adequate.
- 3) Contacting the Hearing Division immediately if we have any concerns about our ability to adequately and timely complete a required notice;

Again, I apologize for the low attendance and assure the Commission and our customers that we will diligently work to continue improving our noticing procedures.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Townsley", with a long horizontal flourish extending to the right.

Paul Townsley, President

Arizona-American Water

Cc: All parties of record to the Dockets